

corporation's name while its charter is forfeited.

For the definition of "assets," see §1-101.

3-514. FORFEITURE OF CHARTER FOR MISUSE OF POWERS.

(A) AUTHORIZATION OF ATTORNEY GENERAL TO INSTITUTE PROCEEDINGS.

AT ANY TIME, THE DEPARTMENT MAY AUTHORIZE THE ATTORNEY GENERAL TO INSTITUTE PROCEEDINGS AGAINST A CORPORATION TO DETERMINE WHETHER THE CORPORATION HAS ABUSED, MISUSED, OR FAILED TO USE ITS POWERS AND FRANCHISES IN A MANNER WHICH, IN THE PUBLIC INTEREST, WOULD MAKE PROPER THE FORFEITURE OF ITS CHARTER.

(B) HOW PROCEEDINGS INSTITUTED.

IF AUTHORIZED BY THE DEPARTMENT, THE ATTORNEY GENERAL MAY PETITION A COURT OF EQUITY FOR FORFEITURE OF THE CHARTER AND DISSOLUTION OF THE CORPORATION. THE PETITION SHALL STATE THE FACTS ON WHICH THE FORFEITURE AND DISSOLUTION OF THE CORPORATION IS SOUGHT.

(C) ORDER OF COURT.

IN ITS ORDER, THE COURT SHALL:

(1) FIND THAT NO LEGAL CAUSE FOR FORFEITURE EXISTS, AND DISMISS THE PETITION;

(2) DIRECT THE CORPORATION TO REMEDY ONE OR MORE GRIEVANCES, ON PENALTY OF FORFEITURE OF THE CHARTER IF THEY ARE NOT REMEDIED WITHIN THE TIME SET BY THE ORDER; OR

(3) (I) FIND THAT LEGAL CAUSE FOR FORFEITURE HAS BEEN SHOWN AND THAT THE PUBLIC INTEREST REQUIRES A FORFEITURE;

(II) DECLARE THE CHARTER FORFEITED AND THE CORPORATION DISSOLVED; AND

(III) APPOINT A RECEIVER OF THE ASSETS OF THE CORPORATION.

REVISOR'S NOTE: This section presently appears as Art. 23, §84.

It is placed here since the proceedings for revival of a charter forfeited for nonpayment of taxes or failure to file an annual report do not apply in this situation.